



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for May 15, 1996 to Consider Increasing Water Rates

MEETING DATE: April 17, 1996

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council set a public hearing for May 15, 1996 to consider increasing the water rates.

BACKGROUND INFORMATION: The condition and needs of the City's water system have been reported to the City Council and to the public in a series of Shirtsleeve Sessions in 1995, written reports and public notifications over the course of the past 2½ years. The November 1990

"Water Utility Status Report" contained most of the information on the deficiencies of our water system. An update in 1993 indicated that if we were to bring our water system up to a reasonable standard, it would take a revenue increase of over 80 percent. A water rate survey prepared for the City Council in February 1995 showed Lodi's flat rate was over 43 percent below the average and the metered rate was 76 percent below the average. At past Shirtsleeve Sessions and public hearings related to water rate increases, the Council heard from large industrial users who indicated strongly they felt smaller annual increases were preferable to sporadic, larger increases.

The City Council, at its meeting of April 19, 1995, considered a number of options to increase water utility revenue. It was decided to increase the flat rate by 17.7 percent and the metered rate by 8 percent on the base charge and 4 percent on the water charge. With this increase, a flat rate 3-bedroom home went from \$10.58 to \$12.45.

Also, money was included in the 1995/96 operating budget for a water rate study. The study has not been done yet. Because of existing workload and the complexity of developing a fair and equitable rate structure for our combination of flat and metered rates, it is staff's recommendation that this study be done by the private sector.

Because of the overall deficiencies of the system, it will be recommended that the Council consider some increase effective July 1, 1996. A recommendation for a formal rate study will be brought to the Council near the end of this fiscal year.

FUNDING: Not applicable.


Jack L. Ronsko
Public Works Director

JLR/lm

cc: City Engineer
Water/Wastewater Superintendent

APPROVED: _____

H. Dixon Flynn -- City Manager



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: May 15, 1996

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Perrin

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING


NOTICE IS HEREBY GIVEN that on **Wednesday, May 15, 1996**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing to consider the following matter:

- a) Increasing water rates

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

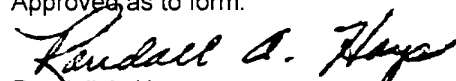
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, P.O. Box 3006, at or prior to the Public Hearing.

By Order of the Lodi City Council:


Jennifer M. Perrin
City Clerk

Dated: April 17, 1996

Approved as to form:


Randall A. Hays
City Attorney